



General Assembly

Amendment

January Session, 2011

LCO No. 8129

SB0076408129SD0

Offered by:

SEN. CASSANO, 4th Dist.

SEN. DOYLE, 9th Dist.

SEN. GERRATANA, 6th Dist.

SEN. SUZIO, 13th Dist.

To: Subst. Senate Bill No. **764**

File No. 503

Cal. No. 303

"AN ACT CONCERNING THE MATTABASSETT DISTRICT."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 2 of number 240 of the special acts of 1961, as
4 amended by section 1 of number 134 of the special acts of 1963 and
5 section 1 of number 124 of the special acts of 1967, is amended to read
6 as follows (*Effective from passage*):

7 (a) Within sixty days after action to establish said Mattabassett
8 District has been initiated as set forth in section 1 [hereof] of number
9 240 of the special acts of 1961, the legislative bodies of the city of New
10 Britain, and such of the towns of Berlin and Cromwell as have
11 indicated an intention of forming such district, shall meet individually
12 at a time and place designated by the presiding officer of the city
13 council in the case of New Britain and by the first selectman in the case

14 of Berlin and Cromwell, and each city and town shall provide, by
15 resolution of its legislative body, for the appointment of its
16 representative to the board of directors for said Mattabassett District,
17 which board of directors shall consist of seven representatives from the
18 city of New Britain, three representatives from the town of Berlin and
19 two representatives from the town of Cromwell. Of the representatives
20 so appointed by the city of New Britain, three shall serve for terms of
21 three years, three for terms of two years and one for a term of one year
22 as determined by the legislative body. Of the representatives so
23 appointed by the town of Berlin, two shall serve for terms of two years
24 and one for a term of one year, as so determined. Of the
25 representatives appointed by the town of Cromwell, one shall be
26 appointed for a term of two years and one shall be appointed for a
27 term of one year. Thereafter, appointments shall be for terms of three
28 years and [until successors have been appointed and have qualified,
29 but no person shall continue to serve as a member of said board after
30 removal of his residence from the municipality by which he was
31 appointed. Within sixty days following the publication of the 1980
32 federal census and within sixty days following the publication of each
33 subsequent federal census, the board of directors shall meet to
34 determine whether any reapportionment shall be made in the number
35 of members representing each constituent municipality on said board.
36 The total number of members on said board shall be twelve and each
37 constituent municipality having a population of five thousand or more
38 shall be entitled to two memberships on said board. The remaining
39 memberships on said board shall be allocated among the constituent
40 municipalities in the same proportion as the population of each
41 constituent municipality in excess of five thousand bears to the
42 aggregate amount of such excess population. An allocation factor shall
43 be computed by dividing said aggregate amount of excess population
44 by the number of memberships to be allocated under this formula.
45 Each constituent municipality shall be entitled to the number of
46 additional memberships, rounded to the nearest whole number,
47 resulting from dividing its population in excess of five thousand by the
48 allocation factor. If application of the above formula requires

49 reallocation of the membership of the board, such reallocation shall
50 become effective one year after the publication of the applicable census
51 unless the district board shall have set an earlier effective date.] the
52 total number of representatives on the board of directors shall be
53 twelve.

54 (b) The city of Middletown may apply for admission to said
55 Mattabassett District by vote of its legislative body. The board of
56 directors of said Mattabassett District shall review such application for
57 admission and shall recommend approval of such application to the
58 constituent municipalities upon receipt of a payment by said city in the
59 amount of thirteen million dollars. The city of Middletown shall be
60 admitted as a constituent municipality upon approval by the
61 legislative bodies of the existing constituent municipalities. If the city
62 of Middletown is admitted to the Mattabassett District pursuant to this
63 subsection, the provisions of subsection (c) shall apply.

64 (c) (1) The number of representatives on the board of directors of the
65 Mattabassett District shall be determined as follows: (A) Each
66 constituent municipality shall be represented by a base number of
67 three representatives from each constituent municipality, and (B) each
68 constituent municipality whose population, minus five thousand, is
69 greater than the result of dividing the aggregate population of the
70 constituent municipalities by the number of constituent municipalities
71 shall be entitled to additional population-based compensatory
72 representation. The number of additional representatives to which a
73 constituent municipality is entitled may be calculated by (i) dividing
74 the aggregate population of the constituent municipalities by the
75 number of constituent municipalities, (ii) subtracting the result from
76 the population of the constituent municipality, minus five thousand,
77 (iii) dividing the result by fifteen thousand, and (iv) rounding the
78 result up to the nearest whole number. The population of each
79 municipality shall be determined according to the last-completed
80 federal census.

81 (2) At the first meeting following the date on which the city of

82 Middletown receives final approval for admission to said Mattabassett
83 District, the board of directors of said Mattabassett District shall
84 allocate the representatives on such board in accordance with
85 subdivision (1) of this subsection. Such board of directors shall meet
86 not later than sixty days after the publication of each federal census to
87 determine whether a reapportionment in the number of
88 representatives on the board of directors is required. If such board
89 determines at such meeting that a reapportionment is required, each
90 constituent municipality affected by such reapportionment shall
91 increase or decrease its representatives on such board, as applicable,
92 not later than one year after the date on which the board makes such
93 determination.

94 (3) Each constituent municipality shall select its representatives on
95 the board of directors of the Mattabassett District by a vote of its
96 legislative body, except a constituent municipality may, by vote of
97 such legislative body, use an alternative means of selection. For
98 purposes of this section, alternative means of selection may include,
99 without limitation, direct election by the electors of a constituent
100 municipality. Each constituent municipality shall determine the term
101 of office of each of its representatives on such board of directors,
102 provided no such term of office shall be more than three years.

103 (4) After the city of Middletown has been admitted to the
104 Mattabassett District and the board of directors of said Mattabassett
105 District has been apportioned and selected in accordance with this
106 subsection, such board of directors shall select an initial chairperson.
107 The initial chairperson shall be a representative from the constituent
108 municipality with the greatest population, according to the last-
109 completed federal census, and shall be elected from the representatives
110 to such municipality by a majority vote of all of the representatives on
111 the board, except that if a representative from such municipality is
112 unable to serve as chairperson, the chairperson shall be elected from
113 the full membership of the board of directors by a vote of all of the
114 representatives on the board. The term of office of such initial
115 chairperson shall not exceed seven years. Upon the expiration of such

116 term of office, each subsequent chairperson shall be elected from the
117 full membership of the board of directors by a vote of all of the
118 representatives on the board.

119 (d) Beginning on the date on which the city of Middletown is
120 admitted to the Mattabassett District pursuant to subsection (b) of this
121 section, and annually thereafter, the Mattabassett District shall provide
122 to the town of Cromwell a payment in the amount of one hundred
123 thousand dollars. Such a payment shall be made after all payments of
124 debt service on prior bonds of said Mattabassett District have been
125 made for such fiscal year and shall not be made from amounts
126 generated from sewerage system service charges, connection charges,
127 benefit assessments or amounts paid in lieu of service charges by the
128 constituent municipalities.

129 Sec. 2. Section 6 of number 134 of the special acts of 1963 is amended
130 to read as follows (*Effective from passage*):

131 As used in [this act] number 134 of the special acts of 1963, unless a
132 different meaning clearly appears from the context: (a) "District" means
133 the Mattabassett District; (b) "district board" means the board of
134 directors of the district; (c) "municipality" means any city, town,
135 borough or fire district; (d) "constituent municipality" means the city of
136 New Britain and the towns of Berlin and Cromwell, and the city of
137 Middletown upon admission to the district pursuant to section 2 of
138 number 240 of the special acts of 1961, as amended by section 1 of
139 number 134 of the special acts of 1963, section 1 of number 124 of the
140 special acts of 1967 and section 1 of this act; (e) the terms "sewage,"
141 "sewerage system," "acquire a sewerage system," "construct a sewerage
142 system," "operate a sewerage system," and "person" shall have the
143 meanings set forth in section 7-245 of the general statutes; (f) "bonds"
144 means bonds, notes or other obligations issued pursuant to this act; (g)
145 "service charges" means rents, rates, fees, or other charges for direct or
146 indirect connection with or the use or services of the sewerage system;
147 (h) "charter" means the charter adopted by the district as provided in
148 section 4 of number 240 of the special acts of 1961; (i) "charter

149 municipality" means the city of New Britain and the towns of Berlin
150 and Cromwell.

151 Sec. 3. Section 16 of number 134 of the special acts of 1963 is
152 amended to read as follows (*Effective from passage*):

153 Whenever the district has authorized the acquisition or construction
154 of all or any part of a sewerage system, it may issue bonds or notes
155 which are secured as to both principal and interest by (a) the full faith
156 and credit of the district and of each of the constituent municipalities,
157 or by (b) a pledge of and lien upon all or any portion of the revenues
158 and proceeds to be derived from sewerage system service charges,
159 connection charges, benefit assessments, amounts paid in lieu of
160 service charges by the constituent municipalities, payments due to the
161 district from the constituent municipalities, contributions from the
162 federal government, the state or any of the constituent municipalities,
163 or from any one or more of such sources, all of which sources are
164 hereafter in this section and sections 18, 20, 22, 24 and 26 of number
165 134 of the special acts of 1963 referred to as "sewer revenues," or by (c)
166 a pledge of and lien upon all or any portion of sewer revenues, and
167 also by the full faith and credit of the district and of each of the
168 constituent municipalities. Any such pledge pursuant to this section
169 shall be valid and binding from the time the pledge is made. The sewer
170 revenues so pledged by the district shall immediately be subject to the
171 lien of such pledge without any physical delivery thereof or further
172 act, and the lien of any such pledge shall be valid and binding against
173 all parties having claims of any kind in tort, contract or otherwise
174 against the district, irrespective of whether such parties have notice
175 thereof. Such lien shall be on a parity with any prior pledge of revenue
176 to pay debt service on bonds issued by said Mattabassett District and
177 shall have priority over all other liens, including, without limitation,
178 the lien of any person who in the ordinary course of business furnishes
179 services or materials to the district. Notwithstanding any provision of
180 the Uniform Commercial Code, neither the bond resolution nor any
181 financing statement, continuation statement or other instrument by
182 which a pledge or security interest is created or by which the district's

183 interest in sewer revenues is assigned need be filed in any public
184 records in order to perfect the security interest or lien thereof as
185 against third parties. Bonds of the district shall not be issued unless
186 such issue shall have been approved by a two-thirds vote of the entire
187 membership of the district board. Bonds of the district which are
188 secured by a pledge of the full faith and credit of the constituent
189 municipalities shall not be issued unless such issue shall have been
190 approved by each constituent municipality by vote of its electors and
191 citizens qualified to vote at a regular or special meeting called for such
192 purpose. The district board [shall determine the amount of each issue
193 of bonds or notes and] may determine or may authorize an officer or a
194 committee to determine the amount of each issue of bonds or notes,
195 the manner of sale of such bonds or notes, the form of such bonds or
196 notes, their date, the dates of principal and interest payments, the
197 manner of issuing such bonds or notes, [and] by whom such bonds or
198 notes shall be signed or countersigned, [and, except as otherwise
199 provided herein, all other particulars thereof. Such board may
200 determine] the rate or rates of interest for each issue of bonds or notes,
201 and all other particulars thereof. [or may provide that the rate or rates
202 of interest shall be determined by an officer or a committee upon the
203 receipt of bids to purchase such bonds or notes but such rate shall not
204 exceed six per cent per annum. Bonds may be coupon or registered
205 bonds. If coupon bonds, they may be registerable as to principal only
206 or as to both principal and interest. Notes which mature not later than
207 one year from their date may be sold at discount and the amount of the
208 discount shall be treated as interest paid in advance. Any premium
209 received for sale of bonds or notes, less the cost of preparing, issuing
210 and marketing them, shall be applied to the payment of the principal
211 of the first bonds or notes of that particular issue to mature, and
212 contributions from other sources for payment of such bonds or notes
213 shall be reduced correspondingly.]

214 Sec. 4. Section 17 of number 134 of the special acts of 1963 is
215 amended to read as follows (*Effective from passage*):

216 [Bonds or notes issued under authority of this act shall be sold by

217 the district at public sale upon sealed proposals but at not less than par
218 and accrued interest except that any issue of notes which matures in its
219 entirety within one year from the date of issue may be sold at private
220 sale. Notice of such public sale shall be published at least seven days in
221 advance thereof in a recognized publication carrying municipal bonds
222 notices and devoted primarily to financial news or to the subject of
223 state and municipal bonds. The notice of sale shall describe the bond or
224 notes and shall set forth the terms and conditions of the sale. Such
225 notice may provide that all of the bonds or notes shall bear a single
226 rate of interest or may permit bidders to name not more than three
227 different rates of interest for different maturities, provided no such rate
228 shall be greater than six per cent. Such notice shall provide that, unless
229 all bids are rejected, the bonds or notes shall be awarded to the bidder
230 offering to purchase them at the lowest net cost to the district. Such net
231 cost shall be computed as to each bid by adding the total interest
232 which will be paid under the terms of the bid after deducting from
233 such total interest any premiums offered. If no bids were submitted or
234 if all bids are rejected, the bonds or notes may be re-offered by the
235 district in accordance with the above provisions for public sale or the
236 bonds or notes may be sold by the district at private sale.] The
237 proceeds arising from the sale of any bonds or notes issued under the
238 authority of [this section] number 134 of the special acts of 1963 shall
239 be delivered to the treasurer of the district and kept by him in accounts
240 separate from other funds of the district. Such proceeds shall be
241 expended only for the purposes and subject to the provisions of [this
242 act] number 134 of the special acts of 1963, provided the proceeds of
243 sale of any serial bonds or notes shall first be applied to the payment of
244 such temporary notes as may have been issued in anticipation of such
245 issue.

246 Sec. 5. Section 22 of number 134 of the special acts of 1963, as
247 amended by number 159 of the special acts of 1967, is amended to read
248 as follows (*Effective from passage*):

249 Bonds issued under the authority of [this act] number 134 of the
250 special acts of 1963 shall be (1) serial bonds maturing in annual or

251 semiannual installments of principal that shall substantially equalize
252 the aggregate amount of principal and interest due in each annual
253 period commencing with the first annual period in which an
254 installment of principal is due, (2) in serial form maturing in annual
255 [instalments] or semiannual installments of principal and no
256 [instalment] installment of any series shall exceed by more than fifty
257 per cent any prior [instalment] installment of such series, or (3) term
258 bonds with mandatory deposit of sinking fund payments into a
259 sinking fund of amounts (A) sufficient to redeem or amortize the
260 principal of the bonds in annual or semiannual installments that shall
261 substantially equalize the aggregate amount of principal redeemed or
262 amortized and interest due in each annual period commencing with
263 the first annual period in which a mandatory sinking fund payment
264 becomes due, or (B) sufficient to redeem or amortize the principal of
265 the bonds in annual or semiannual installments not one of which shall
266 exceed by more than fifty per cent the amount of any prior installment.
267 The first [instalment] installment of any such series of bonds [, other
268 than bonds secured solely by a pledge of and lien upon all or any
269 portion of sewer revenues,] shall mature, or the first sinking fund
270 payment of any series of bonds shall be due, not more than [two] three
271 years from the date of issue of such series and the last [instalment]
272 installment shall mature not more than thirty years from the date of
273 issue of each series, or, if any notes have been issued in anticipation
274 thereof or are to be paid from the proceeds thereof, from the date of
275 issue of the first such note. [The first instalment of any series of bonds
276 issued under the authority of this act which are secured solely by a
277 pledge of and lien upon all or any portion of sewer revenues shall
278 mature not more than four years from the date of issue of such series
279 and the last instalment shall mature not more than thirty years from
280 the date of the issue of such series, or if any notes shall have been
281 issued in anticipation thereof, or are to be paid from the proceeds
282 thereof, from the date of issue of the first such note.]

283 Sec. 6. Section 24 of number 134 of the special acts of 1963 is
284 amended to read as follows (*Effective from passage*):

285 The district board having authorized the acquisition or construction
286 of all or any part of a sewerage system and having made an
287 appropriation therefor may borrow temporarily upon the credit of the
288 district such sum or sums as may be necessary for such acquisition or
289 construction and may issue temporary notes for any such loan,
290 including temporary notes issued in anticipation of the sale of bonds of
291 the district. Each issue of any such temporary notes shall constitute a
292 separate loan and may be for a period of not more than [two years,
293 except that any temporary notes issued in anticipation of the sale of
294 bonds to be secured solely by a pledge of and lien upon all or any
295 portion of sewer revenues may be for a period of not more than four
296 years. Such temporary notes may be renewed from time to time by the
297 issue of other temporary notes, provided the period from the date of
298 issue of the original notes to the date of maturity of the last renewal
299 notes shall not be more than two or four years as the case may be. The
300 interest or discount on such temporary notes, including renewals
301 thereof, and the expense of preparing, issuing and marketing the same
302 may be included as a cost of the acquisition or construction of the
303 sewerage system and may either be borrowed temporarily under the
304 provisions of this section or funded by the issue of serial bonds or
305 notes under the provisions of this act. Temporary notes may be issued
306 under the authority of this section in anticipation of proceeds to be
307 derived from the sale of bonds, notwithstanding that, at the time of
308 issuing such temporary notes, the district shall not have actually
309 authorized the issue of such bonds] the term permitted to
310 municipalities pursuant to chapter 109 of the general statutes.

311 Sec. 7. Section 26 of number 134 of the special acts of 1963 is
312 amended to read as follows (*Effective from passage*):

313 In connection with any bonds or notes issued under the authority of
314 [this act] number 134 of the special acts of 1963, the district board may,
315 or may by resolution [of the district board] authorize an officer or a
316 committee to, and each constituent municipality may, by resolution of
317 the legislative body [having power to make annual appropriations for]
318 of such municipality, as defined in section 7-370c of the general

319 statutes, covenant and agree with the holders thereof as to (a) the rates
320 or charges to be imposed upon the users of such sewerage system,
321 including each constituent municipality, for connection with or the use
322 of such system; (b) the use and disposition of the revenue from such
323 rates or charges; (c) the creation and maintenance of special funds and
324 the management, use and disposition thereof; (d) the purpose for
325 which the proceeds of the sale of such bonds or notes may be used; (e)
326 the acts or conduct which shall constitute a default and the rights and
327 liabilities of the holders arising upon such default; (f) the terms and
328 conditions upon which bonds or notes issued under the authority of
329 [this act] number 134 of the special acts of 1963 shall become or may be
330 declared due before maturity and the terms and conditions upon
331 which such declaration and its consequences may be waived; (g) the
332 conditions upon which other or additional bonds or notes may be
333 issued and secured by a pledge of and lien upon all or any portion of
334 sewer revenues; (h) the insurance to be carried upon the sewerage
335 system or parts thereof, and the use and disposition of any insurance
336 moneys; (i) the maintenance of books of accounts and the inspection
337 and audit thereof.

338 Sec. 8. Section 27 of number 134 of the special acts of 1963 is
339 amended to read as follows (*Effective from passage*):

340 [Each] The district board may determine, or may by resolution
341 authorize an officer or a committee to determine, whether each bond
342 or note issued in accordance with [this act] number 134 of the special
343 acts of 1963 shall be issued exempt, both as to principal and interest,
344 from taxation, or in such form and manner that the interest on such
345 bonds or notes may be includable under the Internal Revenue Code of
346 1986, or any subsequent corresponding internal revenue code of the
347 United States, as from time to time amended, in the gross income of
348 the holder or holders of such bonds or notes. Taxable bonds or notes
349 may be issued only upon a finding by the district board or other
350 officers or by a committee authorized by the board to determine the
351 rate of interest that such bonds or notes shall bear, that the issuance of
352 such taxable bonds or notes is in the public interest.

353 Sec. 9. Number 134 of the special acts of 1963 is amended by adding
 354 section 32 as follows (*Effective from passage*):

355 Sec. 32. Notwithstanding the provisions of number 240 of the special
 356 acts of 1961, number 134 of the special acts of 1963, number 124 of the
 357 special acts of 1967, number 159 of the special acts of 1967, number 178
 358 of the special acts of 1969 and special act 85-28, upon vote of the
 359 district board, the district may issue bonds, notes and other obligations
 360 in the manner provided in chapter 103 of the general statutes and shall
 361 have those powers of municipalities as provided in sections 7-369b, 7-
 362 370b, 7-370c, 7-374b, 7-376, 7-377, 7-378b and 7-379 of the general
 363 statutes."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	Number 240 of the special acts of 1961, Sec. 2
Sec. 2	<i>from passage</i>	Number 134 of the special acts of 1963, Sec. 6
Sec. 3	<i>from passage</i>	Number 134 of the special acts of 1963, Sec. 16
Sec. 4	<i>from passage</i>	Number 134 of the special acts of 1963, Sec. 17
Sec. 5	<i>from passage</i>	Number 134 of the special acts of 1963, Sec. 22
Sec. 6	<i>from passage</i>	Number 134 of the special acts of 1963, Sec. 24
Sec. 7	<i>from passage</i>	Number 134 of the special acts of 1963, Sec. 26
Sec. 8	<i>from passage</i>	Number 134 of the special acts of 1963, Sec. 27

Sec. 9	<i>from passage</i>	Number 134 of the special acts of 1963
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